



TALKING POINTS: Student Loans

OUR PRINCIPLE: *We believe in making college more affordable for all Americans and we are committed to addressing the root causes for the skyrocketing price of higher education.*

Democrats have yet to lay out the specifics of their proposal and how they will pay for it, but it goes without saying that it will be costly. Members are right to raise a key question: is their plan simply cosmetic reform that would further escalate the college cost crisis?

Government spending leads to higher tuition rates. Cutting student loan interest rates does nothing to expand access to a college education for millions of low- and middle-income young people, nor does it address the significant federal spending increases on higher education and the role the federal government may be playing in the hyperinflation of college costs.

- It is no coincidence that the two areas of the economy where government spends significantly – education and health care – have experienced some of the highest inflation rates. (AEI economist Dr. Richard K. Vedder, *House Education and Workforce Committee testimony*, 4/19/05)

The Democrat proposal does nothing to encourage colleges and universities to keep tuition costs under control. Instead, the Democrat proposal creates an incentive for colleges to raise fees and tuitions by spending billions of dollars of taxpayer funds.

Democrat proposals do more for college graduates than they do for college hopefuls. Democrats are not spending a dime of taxpayer money in their first 100 hours in power to make college more affordable for those who are most in danger of missing out on getting a college degree.

- Democrats have vowed to spend billions (\$18 billion over five years) to cut student loan interest rates for college graduates in half – a proposal that will not expand college access for a single young man or woman hoping to attend college.

Democrats have not explained how they will pay for this proposal. Every big Democrat idea comes with a huge price tag. Will Democrats raise taxes to pay for this proposal?